

MEMORANDUM

To: Mayor Wilson and Cedar City Council Members

From: Jason Norris

Date: May 11, 2015

Subject: FY2015-16 Tentative Budget

The initial draft of the fiscal year 2015-16 budget has been prepared in accordance with the State of Utah Laws and is an attachment to this memorandum.

A few points are summarized for the council's consideration which will be discussed in detail with city staff May 11th & 12th.

1. The general fund remains in a stable, but healthy financial position. General fund tax revenue is projected to increase \$155,000.
2. Personnel costs are projected to have a net increase of \$230,606. The net increase represents a combination 1% equity contribution with a twenty cent per hour wage increase per full-time employee, and a partial salary study wage increase to staff positions identified as below current market salary ranges. The health insurance premium increased 5% and was primarily funded by decreasing last year's proposed \$59,600 one-time HSA contribution (\$400 per employee). A new police detective position has been proposed and a full-time Heritage Center technical assistant.
3. Enterprise funds are in a positive operating position and continue to address needed infrastructure capital projects.
4. No new debt obligations have been entered into by the City.
5. The City's general fund will now pay enterprise fund service fees according to the City fee schedule.

Various capital projects have been proposed that warrant further discussion with Council members.